



POWERING AFFORDABLE CARE

through lab spend optimization

VALUE-BASED CARE PROGRAMS:

Case studies

THE CHALLENGE

Health plans must consistently look for innovative ways to reduce costs while maintaining the highest quality of service and member access to care. One key figure in the healthcare landscape is staggering:



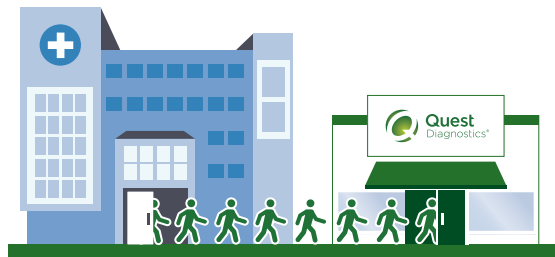
Unnecessary cost variations add up to **more than \$760 billion a year in US healthcare spending.**¹

This sparked several forward-thinking health plans to redefine their strategy. They wanted to reduce their lab spending but without any trade-offs. That meant they wouldn't sacrifice quality or service to employers, members, and providers.



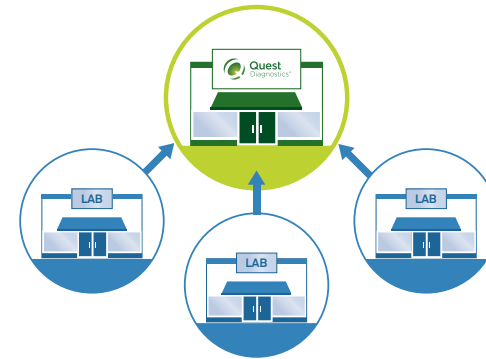
THE STRATEGY

Several health plans looked to industry-leader Quest Diagnostics to identify unnecessary lab cost variation, drive operational efficiencies, and improve member outcomes. Within Quest's value-based care programs, these plans explored two types of innovative arrangements:



Redirection Shared Savings

Let us help analyze your high-cost and out-of-network lab spend. Together, we can **identify ways to educate members and providers about the benefits of using high-quality, low-cost labs like Quest**. Share the groundbreaking savings and service excellence with your members, plan sponsors, and physician providers.



Mergers & Acquisitions (M&A) Shared Savings

Recognize the shared value of Quest's acquisition of high-cost labs and/or out-of-network labs, which may provide significant unit-cost savings and increased quality for your members, plan sponsors, and organization.

CUSTOM-BUILT APPROACHES TO POWERING AFFORDABLE CARE

The following health plans are among the first in the nation to be part of the innovative approaches offered under Quest's value-based strategies.



CASE 1: National health plan

This large payer worked with Quest to reinvent how they managed costs and quality after experiencing annual increases from high-cost, out-of-network, and hospital labs. These costs negatively impacted the health plan and their plan sponsors and members. This payer also needed to bolster data reporting for population health management, gaps in care measures, quality data, HEDIS, Stars, and more.

Quest and the health plan aligned to develop and launch documented performance standards under the critical categories of access, service, financial administration, information management, and quality.

These key metrics serve as the cornerstone of their value-based collaboration: Quest must meet all of the standards to remain in the plan's preferred network as a higher-quality lab. This arrangement, paired with Quest's advanced data solutions, delivers stronger member care and service. It also provides substantial cost savings for the member, sponsor group, and health plan.

CASE 2: National, Managed Medicaid-focused health plan

This payer, focused on Managed Medicaid, aimed to bend their cost curve. The payer was finding it difficult to incentivize use of in-network labs, as there is no financial responsibility for the member. The health plan's first instinct was to collaborate on a rate decrease.

However, a value-based program with Quest was the most mutually beneficial approach. A simple value-sharing structure would work best: The payer achieves big savings every time lab work is redirected to Quest from higher-cost labs.

A successful lab acquisition is already reducing costs at an unprecedented pace. Additionally, a robust leakage and redirection program delivers even greater savings.

CASE 3: National, Medicare Advantage-focused health plan

With a primary focus on Medicare Advantage, the third payer recognized the need to differentiate itself among the many plan options during annual open enrollment. So, the health plan sought new ways to consistently go above and beyond for their members. Impressing their providers with additional operational efficiencies to deliver care and transparency was also a goal.

In collaboration with Quest, the health plan identified the pain points of their members and providers and made improvements to alleviate those challenges—and ultimately increase customer satisfaction. Value-based programs offered remarkable opportunities to minimize friction and raise net promoter scores by enhancing quality and service excellence for both members and providers.

In a relatively short time, the payer has already realized improved efficiencies in key areas, such as driving down denials and increasing electronically ordered requisitions.

THE RESULTS

While these examples of value-based programs look very different, they share several common themes. Each health plan has the flexibility to build a customized solution that leverages Quest's broad scale and unrivaled expertise to achieve its specific goals.

Value-based programs do more than deliver cost savings. They also result in unmatched quality and efficiency benefits, and improved member outcomes. A comprehensive program supports the Triple Aim framework of reducing cost, improving patient outcomes, and enhancing both the provider and member experience.

One lab acquisition led to
\$3 MILLION
in savings per year
with a Blue Cross® payer.



You can have it all

Contact your Quest Diagnostics Health Plans representative to review your unnecessary, higher-cost, out-of-network lab spending. See how value-based programs can lead to substantial cost savings and greater efficiencies, and drive member satisfaction.

¹ Shrank WH, Rogstad MPH, Parekh N. Waste in the US health care system. *JAMA*. 2019;322(15):1501-1509. doi: 10.1001/jama.2019.13978

Quest, Quest Diagnostics, any associated logos, and all associated Quest Diagnostics registered or unregistered trademarks are the property of Quest Diagnostics. All third-party marks—® and ™—are the property of their respective owners. ©2021 Quest Diagnostics Incorporated. All rights reserved. SB9422 8/2021